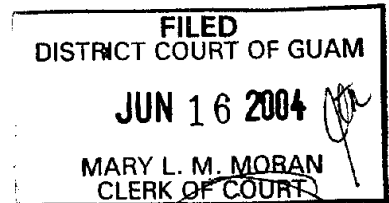


JOAQUIN C. ARRIOLA
ANITA P. ARRIOLA
ARRIOLA, COWAN & ARRIOLA
259 Martyr Street, Suite 201
Hagåtña, Guam 96910
Tel: (671) 477-9730
Fax: (671) 477-9734



Attorneys for Plaintiffs Alan Sadhwani, et al.

**IN THE UNITED STATES
DISTRICT COURT OF GUAM**

ALAN SADHWANI, LAJU SADHWANI,)	CIVIL CASE NO. 03-00036
and K. SADHWANI'S INC., a Guam)	
corporation,)	
)	
Plaintiffs,)	DECLARATION OF ANITA P.
vs.)	ARRIOLA IN SUPPORT OF
)	PLAINTIFFS' MOTION TO COMPEL
HONGKONG AND SHANGHAI)	DEPOSITIONS OF FRED GRANILLO
BANKING CORPORATION, LTD., a)	AND CHRIS UNDERWOOD AND FOR
Foreign corporation,)	SANCTIONS
JOHN DOE I through JOHN DOE X,)	
)	
Defendants.)	
)	

ANITA P. ARRIOLA declares:

1. I am one of the attorneys for the plaintiffs Alan Sadhwani, et al. in the above-entitled case. I make this Declaration in support of Plaintiffs' Motion to Compel Depositions of Fred Granillo and Chris Underwood and for Sanctions. I have personal knowledge of the facts contained herein.

2. I spent a total of 6.5 hours preparing for the deposition of Fred Granillo. Mr. Granillo is the Assistant Vice President of Credit Control at Hong Kong Shanghai Banking ("HSBC"). He was the Relationship Executive for the Sadhwani Loan from January 1, 2002 until June 2003. In that

ORIGINAL

capacity, Mr. Granillo wrote several "reviews" concerning the status of the Sadhwani loans and accounts as well as the Bank's disposition of such loans and accounts. In addition, Mr. Granillo authored the critical "workout agreement" letter dated March 21, 2003, which is attached as Exhibit "G" to Plaintiffs' Second Amended Complaint. Mr. Granillo was also involved in several critical meetings with Mr. Sadhwani and other Bank officials regarding the Sadhwani Loan between March 2003 and April 2003 that formed the basis of the workout agreement. In preparing for Mr. Granillo's deposition, I examined over 5,931 pages of documents produced in this case in response to a subpoena duces tecum for the Custodian of Records of Paradise Marine Corporation. Paradise Marine Corporation is the purchaser of the Sadhwani Loan and is the repository of the Sadhwani Loan documents that were previously held at HSBC.

3. On May 3, I spent a total of .5 hours waiting for the appearance of Mr. Granillo and his attorney Jacques Bronze for Mr. Granillo's deposition. Neither Mr. Granillo nor Mr. Bronze appeared. Attached hereto as Exhibit 1 is true and correct copy of the court reporter's invoice for the deposition of Fred Granillo that was canceled due to the non-appearance of the witness and his counsel.

4. Mr. Granillo's deposition was eventually taken on June 15, 2004. His deposition lasted 6.5 hours due to the voluminous number of exhibits discussed at his deposition.

5. I also spent a total amount of 6.5 hours preparing for the deposition of Chris Underwood. Chris Underwood is the General Manager of HSBC. Mr. Underwood was the primary HSBC representative responsible for the negotiation of the sale of the Sadhwani Loan with Paradise Marine Corporation. In addition to the Bank loan documents produced by Paradise Marine Corporation, the company also produced numerous pages of e-mails between Mr. Underwood and

Joseph Fang, the principal of Paradise Marine Corporation, regarding negotiations for the sale of the Sadhwani Loan, the execution of the Loan Purchase Agreement, the due diligence occurring after execution of the Loan Purchase Agreement, and the consummation of the sale of the Sadhwani Loan on August 11, 2003. Mr. Underwood is also the person who made several misrepresentations to Mr. Sadhwani as alleged more fully in Plaintiffs' Second Amended Complaint.

6. I spent a total of .5 hours on May 5, 2004, awaiting the appearance of Chris Underwood and his attorney Jacques Bronze for Mr. Underwood's deposition. They did not appear for the deposition. As a result, I received an invoice for the court reporter for a non-appearance fee of the witness. Attached hereto as Exhibit 2 is a true and correct copy of the court reporter's invoice for the deposition of Chris Underwood.

7. My hourly billing rate is \$215 per hour. Based on the total number of hours I spent preparing for the depositions of Messrs. Granillo and Underwood as well as the time I spent waiting for their appearance at their depositions, we are seeking \$3,010.00 for my time. Attached hereto as Exhibit 3 is a true and correct copy of the summary of the amounts our firm is seeking in support of plaintiffs' motion to compel the depositions of Fred Granillo and Chris Underwood and for Sanctions.

I declare under penalty of perjury under the laws of Guam and the United States that the foregoing is true and correct.

Dated this 16th day of June, 2004.

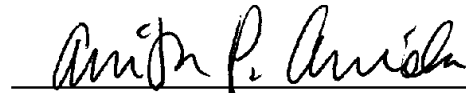

ANITA P. ARRIOLA

CERTIFICATE OF SERVICE

I, ANITA P. ARRIOLA, hereby certify that on June 16, 2004, I caused to be served via hand delivery, a **DECLARATION OF ANITA P. ARRIOLA IN SUPPORT OF PLAINTIFFS MOTION TO COMPEL DEPOSITIONS OF FRED GRANILLO AND CHRIS UNDERWOOD AND FOR SANCTIONS** to:

**Jacques A. Bronze, Esq.
Bronze & Tang, P.C.
2nd Floor, BankPacific Building
825 S. Marine Drive
Tamuning, Guam 96913**

Dated this 16th day of June, 2004.



ANITA P. ARRIOLA

ARRIOLA, COWAN & ARRIOLA, HAGATNA, GUAM 96910



Arriola, Cowan & Arriola
RPR

Law Offices
ARRIOLA, COWAN, ARRIOLA

MAY 03 2004

Invoice

DATE	INVOICE #
5/3/04	400

Freelance Stenotype Reporter

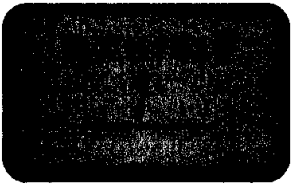
225 Puti Tai Nobio Street Barrigada, GU 96913
Office: 671-734-1041 Fax: 671-632-5353
Email: wrdzrus@yahoo.com

RECEIVED
BY: Cox TIME: 12:35pm

BILL TO

Ms. Anita P. Arriola
ARRIOLA, COWAN & ARRIOLA
259 Martyr Street Suite 201
C&A Prof. Bldg.
Hagatna, Guam 96910

DUE DATE	DATE OF DEPO
6/2/04	5/3/04

CASE NO.	DESCRIPTION	PAGES	RATE	AMOUNT
Civil Case No. 03-00036	Affidavit of Non-appearance of Fred Granillo			0.00
	Reporter's Fee		100.00	100.00
				
There will be a 2% charge per month on unpaid balances after 30 days.				
Total				100.00



Veronica Flores, RPR

Freelance Stenotype Reporter

225 Puti Tai Nobio Street Barrigada, GU 96913

Office: 671-734-1041 Fax: 671-832-5353

Email: wrdzrus@yahoo.com

BILL TO

Ms. Anita P. Arriola
ARRIOLA, COWAN & ARRIOLA
259 Martyr Street Suite 201
C&A Prof. Bldg.
Hagatna, Guam 96910

Invoice

DATE	INVOICE #
5/5/04	402

Law Offices
ARRIOLA, COWAN, ARRIOLA

MAY 05 2004

RECEIVED

BY: Cassie TIME: 11:40am

DUE DATE	DATE OF DEPO
6/4/04	5/5/04

CASE NO.	DESCRIPTION	PAGES	RATE	AMOUNT
Civil Case No. 03-00036	Affidavit In Re Nonappearance of Chris Underwood		100.00	100.00
There will be a 2% charge per month on unpaid balances after 30 days.		Total		
		100.00		

**SUMMARY OF ATTORNEYS FEES AND EXPENSES INCURRED FOR
PLAINTIFFS' MOTION TO COMPEL THE DEPOSITIONS OF FRED GRANILLO
AND CHRIS UNDERWOOD AND FOR SANCTIONS**

<u>ATTORNEYS</u>	<u>HOURS</u>	<u>BILLING RATE</u>	<u>TOTAL</u>
Anita P. Arriola	14.0	\$215.00 per hour	\$3,010.00
Joaquin C. Arriola	8.7	\$280.00 per hour	\$2,436.00
Jacqueline T. Terlaje	6.8	\$175.00 per hour	\$1,190.00

MISCELLANEOUS:

- | | | |
|----|--|----------|
| 1. | Court Reporter's Fee for Deposition of Fred Granillo | \$100.00 |
| 2. | Court Reporter's Fee for Deposition of Chris Underwood | \$100.00 |

TOTAL: **\$6,836.00**